

**SUBSTITUTE FOR
HOUSE BILL NO. 5873**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 2045 (MCL 324.2045), as amended by 2013 PA 81.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2045. (1) The department shall distribute recreation
2 passport fee revenue as follows:

3 (a) First, for necessary expenses incurred by the secretary of
4 state each state fiscal year in administration and implementation
5 of section 805 of the Michigan vehicle code, 1949 PA 300, MCL
6 257.805. Funds appropriated for necessary expenses shall be based
7 upon an established cost allocation methodology that reflects
8 actual costs. Appropriations under this subdivision in a state
9 fiscal year shall not exceed \$1,000,000.00.

(b) Second, for necessary expenses incurred by the department of military and veterans affairs each state fiscal year in administration and implementation of sections 74116 and 78119. Funds appropriated for necessary expenses shall be based on an established cost allocation methodology that reflects actual costs. Appropriations under this subdivision in a state fiscal year shall not exceed \$1,000,000.00 for the first 3 years after passage of this bill and \$500,000.00 thereafter.

(c) ~~(b)~~ The next \$10,700,000.00 received each fiscal year shall be deposited in the state park improvement account.

(d) ~~(e)~~ The next \$1,030,000.00 received each fiscal year shall be deposited in the waterways account.

(e) ~~(d)~~ ~~The remaining revenue~~ If the participation rate for the prior state fiscal year, as reported under subsection (2), was less than 55.0%, the revenue remaining after the application of subdivisions (a) to (d) and subsection (3) each state fiscal year shall be deposited and used as follows:

(i) ~~50%—80%~~ in the state park improvement account to be used for capital improvements, ~~at state parks, including state recreation areas.~~

~~(ii) 30% in the state park improvement account to be used for operations, and maintenance at state parks, including state recreation areas.~~

(ii) ~~(iii)~~ 2.75% in the state park improvement account to be used for operations, maintenance, and capital improvements of state park cultural and historic resources.

(iii) ~~(iv)~~ 0.25% in the state park improvement account to be used to do all of the following:

(A) Promote, in concert with other state agencies, the use of

1 state parks, state-operated public boating access sites, state
2 forest campgrounds, and state forest nonmotorized trails and
3 pathways.

4 (B) Promote the use of the internet for state park camping
5 reservations and for payment of the recreation passport fee in
6 conjunction with motor vehicle registration.

7 (iv) ~~(v)~~—10% in the local public recreation facilities fund
8 created in section 1911, to be used for development of public
9 recreation facilities for local units of government.

10 (v) ~~(vi)~~—7% in the forest recreation account to be used for
11 operating, maintaining, and making capital improvements to state
12 forest campgrounds and the state forest system of pathways and
13 nonmotorized trails, including, but not limited to, equestrian
14 trails.

15 (f) If the participation rate for the prior state fiscal year,
16 as reported under subsection (2), was 55.0% or more, the revenue
17 remaining after the application of subdivisions (a) to (d) and
18 subsection (3) each state fiscal year shall be deposited and used
19 as follows:

20 (i) 70% in the state park improvement account to be used for
21 capital improvements, operations, and maintenance at state parks,
22 including state recreation areas.

23 (ii) 2.75% in the state park improvement account to be used for
24 the purposes described in subdivision (e) (iii).

25 (iii) 0.25% in the state park improvement account to be used for
26 the purposes described in subdivision (e) (iv).

27 (iv) 20% in the local public recreation facilities fund created
28 in section 1911, to be used for the purposes described in
29 subdivision (e) (v).

(v) 7% in the forest recreation account to be used for the purposes described in subdivision (e) (vi).

(2) By August 1 each year, the department of state shall report to the department of natural resources the participation rate for the prior state fiscal year.

(3) ~~(2)~~ For each state fiscal year, beginning with the 2011-2012 state fiscal year, the state treasurer shall adjust the amounts set forth in subsection ~~(1) (b) and (c)~~ **(1) (c) and (d)** by an amount determined by the state treasurer to reflect the cumulative percentage change in the ~~consumer price index for~~ **Consumer Price Index since October 1, 2010, as of** the most recent 1-year period for which data are available. ~~As used in this subsection, "consumer price index" means the most comprehensive index of consumer prices available for this state from the bureau of labor statistics of the United States department of labor.~~

(4) ~~(3)~~ By January 15 of each year, the department, in consultation with the department of state, shall estimate the amount of additional revenue that would have been collected as recreation passport fees during the immediately preceding state fiscal year if owners of resident motor vehicles described in sections 74116(4) (c) and 78119(4) (b) were not exempt under those provisions from paying the recreation passport fee. The department shall estimate the amount as follows:

(a) Determine the total number of resident motor vehicles described in sections 74116(4) (c) and 78119(4) (b).

(b) Multiply the number under subdivision (a) by the percentage of resident motor vehicles with single-year registrations for which a recreation passport fee was paid during the preceding state fiscal year.

1 (c) Subtract from the result under subdivision (b) the number
2 of resident motor vehicles described in sections 74116(4)(c) and
3 78119(4)(b) for which a recreation passport fee was paid during the
4 preceding state fiscal year under rules promulgated under section
5 74120(3).

6 (d) Multiply the result under subdivision (c) by the current
7 amount of the recreation passport fee during the preceding state
8 fiscal year.

9 (5) ~~(4)~~—The legislature shall annually appropriate from the
10 general fund a sum equal to the amount estimated under subsection
11 ~~(3)~~—(4). The sum appropriated shall be distributed as provided in
12 subsection ~~(1)~~ ~~(d)~~ **(1)(e) or (f), as applicable.**

13 (6) ~~(5)~~—The department shall submit a report to the standing
14 committees and appropriations subcommittees of the legislature with
15 jurisdiction over issues pertaining to natural resources and the
16 environment by February 1 each year. The report shall provide
17 information on all of the following for the preceding state fiscal
18 year:

19 (a) The total amount of recreation passport fee revenue
20 received by the department and the amounts allocated under
21 subsection (1).

22 (b) The total amount of annual and daily state park motor
23 vehicle permit fee revenue received by the department under section
24 74117.

25 (c) The total amount of seasonal or daily state-operated
26 public boating access site revenue received by the department under
27 section 78105(3).

28 (d) Details on the specific uses of the revenue described in
29 subdivisions (a), (b), and (c) and the amounts expended for each

1 specific use.

2 (e) The amount of revenue received during the preceding state
3 fiscal year under subsection ~~(4)~~. **(6)**.

4 (f) The adequacy of the revenue described in subdivisions (a)
5 and (e) for each of the purposes for which it is allocated under
6 subsection (1).

7 (g) The impact of the state park revenue stream described in
8 subdivisions (a), (b), and (d) on the Michigan state parks
9 endowment fund created in section 35a of article IX of the state
10 constitution of 1963 and provided for in section 74119.

11 (h) Other relevant issues that affect funding needs for the
12 state park system.

13 **(7)** ~~(6)~~—By February 1, 2012 and every 2 years thereafter, the
14 department shall submit a report to the standing committees and
15 appropriations subcommittees of the legislature with jurisdiction
16 over issues pertaining to natural resources and the environment.
17 The report shall provide information on how frequently motor
18 vehicles for which the registrant declined to pay the recreation
19 passport fee entered state parks and state-operated public boating
20 access sites designated under section 78105 during the registration
21 period. The information shall be based on random audits conducted
22 by the department. A report under this subsection may be combined
23 with a report required under subsection ~~(5)~~. **(6)**.

24 **(8)** ~~(7)~~—The department may prepare a list of frequently asked
25 questions and answers concerning the recreation passport fee. The
26 department and the department of state may post the information on
27 their websites. The department of state may provide the information
28 with any applications for registration of motor vehicles that are
29 mailed by the department of state.

1 (9) As used in this section:

2 (a) "Consumer Price Index" means the most comprehensive index
3 of consumer prices available for this state from the Bureau of
4 Labor Statistics of the United States Department of Labor.

5 (b) "Participation rate" means the percentage of registered
6 motor vehicles, other than commercial motor vehicles, for which the
7 recreation passport fee was paid for the year of registration.